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NEWS RELEASE

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Ministry of Advanced Education

ONLINE SYSTEM FAST-TRACKS STUDENT LOAN PAYMENT RELIEF

VICTORIA – Low-income British Columbians who want a break from repaying their student loans will know if they qualify within hours of using a new online application, rather than waiting for weeks for an answer, Advanced Education Minister Murray Coell announced today.

"More than 8,000 people in B.C. are given respite from their student loan payments every year, allowing them some breathing room to work out their financial difficulties," Coell said. "Now, with Canada's first completely online interest-relief application, eligible borrowers will be able to have peace of mind within 48 hours of submitting their information, knowing that they qualify for a share of the $2.4 million we invest in this program every year."

Eligibility for StudentAid BC's interest relief program is determined by the student's family income, the size of the family, and the amount of his or her loan payments. For example, a single mother of two with a combined Canada and B.C. student loan debt of $20,000 and $234 in monthly payments could be excused from paying her B.C. student loans for up to 54 months if her income is less than $43,164 a year.

The old paper application process took at least three weeks, provided the borrower's information was complete. However, most applications were missing vital information, and by the time borrowers had provided all of it via mail, the process typically took up to nine weeks. With the introduction of the online application, processing time is reduced to 48 hours since all necessary data must be entered first before an application can be submitted.

"Knowledge is the key to success, especially in British Columbia's ideas economy, but studies show that many lower-income people are afraid to invest in a post-secondary education because they worry about debt," Coell said. "This interest-relief program is part of our safety net for students, and it's important for them to have a speedy response when they ask for help."

The interest relief program is part of $1.44 billion in student financial aid the Province has provided since 2001 to help students overcome financial barriers to post-secondary education. This includes B.C. student loans, loan reductions for students most in need, grants for students with disabilities, debt relief and loan forgiveness.

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To find the online application, go to www.StudentAidBC.ca, click on British Columbia Student Loan Service Bureau in the left-hand menu, and log in. The application can be used by all borrowers with direct-lend B.C. student loans.

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1 factsheet(s) attached.

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FACTSHEET

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B.C. INTEREST RELIEF PROGRAM

- This StudentAid BC program helps people who have difficulty repaying their B.C. student loans because of low income and financial hardship. About 8,000 British Columbians qualify for B.C. interest relief every year.
- For those who qualify, the B.C. government pays the interest on their B.C. student loans for six-month periods up to a maximum of 30 months. During this time, they do not have to make any loan payments.
- If they continue to have financial problems, they may also qualify for extended interest relief of up to 54 months during the first five years of student loan repayment.
- The average length of time on the program is 12 months – two six-month periods.
- To receive B.C. interest relief, borrowers must have a family income (before taxes and other deductions) that does not exceed the maximum amount set for their size of family with their total student loan payments. For example:
    - A single person with combined B.C. and Canada student loan payments of $300 a month could be eligible for B.C. student loan interest relief if his or her yearly income was under $24,180.
    - If that person were married, he or she could have a family income of up to $35,184 and still be eligible.
    - A married borrower with one child whose loan payments were $500 a month could be eligible for interest relief if the family income were below $48,300.
    - If that same family had two children, the maximum family income would be $55,608.
- Cost to government for the program last year was $2.4 million in interest payments on behalf of low-income borrowers.
- Students can take out up to $50,000 in B.C. student loans.

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